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ABSTRACT

Passage of the Higher Education Technical Amendments of 1979 (H.R. 4476) is recommended in this report submitted to the House of Representatives by the Committee on Education and Labor. This legislation would make technical and conforming changes in the student financial assistance programs and provide a one year extension of those programs that expire at the end of fiscal 1980. A change in the ceiling on the special allowance paid to lenders under the Guaranteed Student Loan Program is urged to avoid a substantial decline in available loans. The limitation on carry over of surplus funds in the Basic Educational Opportunity Grant Program would be waived with the passage of this legislation. Provisions that will reduce student loan defaults and facilitate the recovery of defaulted funds are also contained in the bill. This report suggests that these changes are necessary to insure that 700,000 independent students will receive the full Basic Grants for which they are eligible as a result of provisions in the Middle Income Student Assistance Act. Background letters and other information, an extensive review of the components of the bill, and changes in existing law that would occur due to H.R. 4476 are examined. (SF)

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AUG 13 1979

96TH CONGRESS } HOUSE OF REPRESENTATIVES { REPT. 96–
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HIGHER EDUCATION TECHNICAL AMENDMENTS OF 1979

JULY 5, 1979.—Ordered to be printed

U.S. DEPARTMENT OF HEALTH, EDUCATION & WELFARE
NATIONAL INSTITUTE OF EDUCATION

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Mr. PERKINS, from the Committee on Education and Labor, submitted the following

REPORT

[To accompany H.R. 4476]

[Including cost estimate of the Congressional Budget Office]

The Committee on Education and Labor, to whom was referred the bill (H.R. 4476) to extend certain programs under the Higher Education Act of 1965 for 1 year, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment strikes out all after the enacting clause of the bill and inserts a new text which appears in italic type in the reported bill.

SUMMARY OF MAJOR PROVISION

The purpose of H.R. 4476, the Higher Education Technical Amendments of 1979, is to make necessary technical and conforming changes in the student financial assistance programs authorized by the Higher Education Act of 1965, as amended, and by the Middle Income Student Assistance Act (Public Law 95–566), as well as to provide for a 1-year extension of those programs which expire at the end of fiscal year 1980.

Of particular importance and urgency is the change in the ceiling on the special allowance paid to lenders under the guaranteed student loan program to prevent the substantial decline in loans available to postsecondary education students which is predicted this fall without such action.

H.R. 4476 also waives the limitation on the carryover of surplus funds in the basic educational opportunity grant program under this program. These changes are necessary to insure that nearly 700,000 independent students will receive the full basic grants for which they are eligible as a result of provisions in the Middle Income Student Assistance Act.

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The bill also contains provisions which will reduce student loan defaults and facilitate the recovery of defaulted funds.

Background

On April 10, 1979, Mr. Biaggi introduced H.R. 3554 to completely remove the ceiling on the special allowance paid to lenders who participate in the guaranteed student loan program. This ceiling now must average 5 percent over four consecutive quarters. In describing his bill on May 16, he said, "It is imperative that this ceiling on the special allowance be lifted before the end of the summer of 1979 when demand for student loans will be at their peak for the coming 1979–80 academic year." (Congressional Record, May 16, 1979, daily edition, page E2346.)

In a subsequent letter to the Speaker dated June 19, 1979, the administration submitted a similar recommendation with respect to the special allowance.

During hearings on the guaranteed student loan program on May 30, May 31, June 15 and June 19, the subcommittee received persuasive testimony regarding the need for adjustment. Mr. Alfred Fitt, testifying on behalf of the Congressional Budget Office, predicted:

> If the present ceiling formula is retained, there will be strong downward pressures on the inclination of banks to make new student loans, just when there seem to be extraordinary upward pressures in the demand for such loans.

Testifying at the same hearing, Ms. Eileen D. Dickinson, president of the New York State Higher Education Services Corporation, argued that if the rate of return to lenders is sharply curtailed through the operation of current law, banks "may well prefer other investments to student loans and may precipitate a student loan capital crisis." She urged that "legislation should be passed as soon as possible to insure that students have access to loan to pay for Fall 1979 educational costs."

In a statement filed with the subcommittee, Mr. John D. Wickert, speaking for the American Bankers Association, said:

> The concept of the special allowance floating free (no caps) with the Treasury Bill rate would allow the lender to cope with all market conditions over this extended investment period and is the approach that would most effectively encourage the lenders to invest the necessary funds in the Guaranteed Student Loan Program. This could assure that there would be sufficient loans available to meet the normal demands plus those additional loan requests generated by the Middle Income Student Assistance Act and thereby to provide families with the funds needed to finance the rising costs of education.

Testifying at a hearing on June 5, Mr. William Ihlanfeldt, testifying on behalf of the Consortium on Financing Higher Education, said:

> The ceiling on the special allowance should be eliminated in order to retain the participation of financial institutions

during periods of limited credit. At current interest rates, it is quite likely that in the last two quarters of this year, because of the ceiling on the special allowance, students may find that financial institutions will not lend.

On June 14, with the cosponsorship of Mr. Biaggi and Mr. Buchanan, Mr. Ford, chairman of the Subcommittee on Postsecondary Education, introduced H.R. 4476, which incorporated H.R. 3554 and made several other technical amendments to the Higher Education Act.

In letters to the Speaker, dated April 11 and May 7, 1979, the following amendments were recommended by the Administration and subsequently embodied in H.R. 4476:

Clarification of the period of enrollment covered by changes in the basic educational opportunity grant program made by the Middle Income Student Assistance Act and clarification of the Commissioner's regulatory authority under that program; and

Removal of the restriction against carrying over more than 15 percent of surplus basic grant funds to allow the implementation of changes in eligibility for independent students in academic year 1979–80 as authorized by the Middle Income Student Assistance Act.

The different standards for participation in the student financial aid programs by students in proprietary vocational schools and by students in nonprofit vocational schools was brought to the subcommittee's attention by Mr. Abdnor. H.R. 4476 also corrects this oversight.

To provide for an orderly appropriation process while the Higher Education Act and related measures are reauthorized during the 96th Congress, H.R. 4476 extends for 1 year the authorization of appropriations for the programs which are due to expire at the end of fiscal year 1980.

The problems addressed by the remaining amendments made by H.R. 4476 came to the subcommittee's attention during hearings on the reauthorization of the Higher Education Act.

Numerous letters have been received supporting this bill from postsecondary education representatives, the American Bankers Association, State guarantee agencies, and individual students and their parents. A sample of these follow:

AMERICAN COUNCIL ON EDUCATION,
Washington, D.C., June 25, 1979.

Hon. CARL D. PERKINS,
Chairman, Committee on Education and Labor,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: This is to urge early passage of H.R. 4476, the Education Amendments of 1979. The bill is necessary to avoid a drastic reduction in loan availability and lender participation in the guaranteed student loan program, particularly this summer when students are attempting to obtain loans to finance their fall semester. Removal of the 5-percent limit on the special allowance as an emergency measure would encourage continued lender participation in the program for

the time being; the long-range implications of this step can be explored later in the process of reauthorization.

H.R. 4476 also includes desirable amendments to the Basic Grant program, particularly the authority to carry over unexpended funds, and to the Direct Loan program. Authority for the Commissioner of Education to collect loans in default as the agent of the requesting institution, without assigning notes to the government and without requiring that the loan be in default for two years, would alleviate several major obstacles to reducing institutional default rates and provide needed assistance to institutions.

We also support the one-year extension of higher education programs through fiscal year 1981, to assure that the completion of the reauthorization process next spring does not interrupt the fiscal year 1981 budget-appropriations cycle.

This letter is written on behalf of: American Association of State Colleges and Universities, American Council on Education, Association of American Universities, Association of Jesuit Colleges and Universities, Council for the Advancement of Small Colleges, National Association of Independent Colleges and Universities, National Association of Schools and Colleges of the United Methodist Church, and National Association of State Universities and Land-Grant Colleges.

Sincerely,

CHARLES B. SAUNDERS, Jr.,
Vice President for Governmental Relations.

PENNSYLVANIA HIGHER EDUCATION
ASSISTANCE AGENCY,
Harrisburg, Pa., June 26, 1979.

Hon. WILLIAM D. FORD,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN FORD: The inability of the special allowance to float freely with the cost of funds under the current 5 percent cap will deter the participation of lenders in the guaranteed student loan program. Funds disbursed as student loans are committed for periods of 15 years or more, a period during which substantial change can be experienced in the cost of funds to a lender. The current high cost of funds makes it clear to lenders that their earnings on long-term investments must be fluid and float freely with their money acquisition costs. Unrealistic restraint of lender revenue, such as the special allowance cap poses, will deter loan availability, particularly for first time and low-income borrowers.

The necessary lender commitment of new funds to meet the demands for loans under the existing program plus those required to fully implement the benefits of the Middle Income Student Assistance Act and growth in the new State programs is directly related to the parallel float of lender costs to acquire funds and the lender return which the special allowance couples to the student interest charges.

Pennsylvania lender participation is up 39 percent over 1978 and will be deterred in the third quarter of 1979 (the largest quarter in the student loan business) unless the reduction to the special allowance

which the cap causes in the June payment is coupled with enactment of technical legislation that guarantees the allowance in October and thereafter will float freely with the lender's cost of money. Failure to act positively and immediately to remove the special allowance cap will cause Pennsylvania's lenders to be reluctant to make the necessary long term investments in student loans.

Sincerely,

KENNETH R. REEHER.

WILLOWICH, OHIO *June 18, 1979.*

Representative WILLIAM D. FORD,
Postsecondary Education Subcommittee Chairman.

DEAR SIR: Please vote to change the ceiling formula on guaranteed student loans, so loans will still be available to college students.

Due to the high cost of college tuition and the rising inflation rate, it makes it impossible to afford a college eduction without the help of the GSL.

Thank you,

JOHN M. COLLINS.
EVELYN M. COLLINS.
MICHAEL E. COLLINS.
RICHARD D. COLLINS.

HEARINGS AND COMMITTEE ACTION

The genesis of this legislation was H.R. 3554, introduced by Mr. Biaggi on April 10 to remove the 12-month, 5-percent ceiling on the special allowance paid to lenders participating in the guaranteed student loan program. During its hearings on reauthorization of Higher Education Act, this legislation and the problem it addresses were discussed at length on May 30 and 31 and June 5 and 19, 1979. Witnesses included representatives of student groups, spokesmen for the National Association of Student Financial Aid Administrators, the American Bankers Association, State guarantee agencies, the Student Loan Marketing Association, and the Congressional Budget Office.

Legislation incorporating H.R. 3554 and other technical and conforming amendments to the Higher Education Act and related measures was introduced by Mr. Ford, chairman of the Subcommittee on Postsecondary Education, and cosponsored by Mr. Biaggi and Mr. Buchanan, on June 14, 1979. On June 27, 1979, H.R. 4476 was considered by the Committee on Education and Labor under a unanimous consent request by Mr. Ford.

Also considered by the Committee on Education and Labor at that meeting was H.R. 4327 which extends for 1 year the authorization of appropriations for the National Institute of Education and lowers the authorization level to $125 million (from $200 million). This bill was introduced by Mr. Simon, chairman of the Subcommittee on Select Education, on June 5, with six cosponsors. At a hearing on June 12, the Director of NIE testified in support of the bill, and the subcommittee ordered it reported without amendment by voice on the same day.

The committee adopted an amendment in the nature of a substitute to H.R. 4476 offered by Mr. Ford which made five minor corrections in the legislation. The committee then adopted as an amendment to the substitute H.R. 4327 which was offered by Mr. Perkins on behalf of Mr. Simon.

H.R. 4476 as amended was ordered reported by unanimous voice vote. The explanatory language in this report, including the section-by-section analysis and comparison to existing law, relate to the text of the committee amendment as amended.

The Provisions

One-year extension of higher education programs expiring in fiscal year 1980.—The authorizations for most of the programs in the Higher Education Act, as well as for title VI of the National Defense Education Act, the Fund for the Improvement of Postsecondary Education and the National Institute of Education, expire at the end of fiscal year 1980. Final action reauthorizing these programs will probably not be completed until the middle of next year, by which time action on the fiscal year 1981 appropriations will be well advanced. Since it is now the practice of the Appropriations Committee not to consider appropriations for any program for which authorization is not completed, the orderly process of providing appropriations for these programs could be severely disrupted. Appropriations for these programs would have to be provided in a supplemental appropriations bill when action on the reauthorization is completed.

The student assistance programs are forward funded and require a long leadtime for the development and congressional review of the basic grant family contribution schedule as well as for the allocation of campus-based program funds to permit the orderly packaging of financial aid for students. Many of the nonstudent aid programs involve an extensive application and review process in making discretionary grants. A delay in providing appropriations for fiscal year 1981 would dislocate the smooth operation of these programs. Millions of students and thousands of postsecondary institutions would be unable to effectively plan for the efficient use of available Federal support.

The bill extends the programs which expire at the end of fiscal year 1980 for one year at the same level of authorization as fiscal year 1980 (except in the case of the National Institute of Education, which is discussed below). It makes no substantive changes in the programs other than those noted in the description of the various technical amendments. A similar 1-year extension of programs authorized by the Elementary and Secondary Education Act was adopted in 1977 to prevent the interruption of the forward funding of these programs.

H.R. 4327, as reported by the Subcommittee on Select Education, and adopted as an amendment to H.R. 4476, extends the authorization of the National Institute of Education through fiscal year 1981 and lowers the authorization for the Institute from $200 million to $125 million. The funding reduction reflects the fact that the authorization for the NIE has far exceeded available funds in the appropriations process. The $125 million level appears to be a more realistic figure given the constrained budget in the next fiscal year.

The lower authorization and the 1-year extension of authorization does not indicate a lack of confidence in the NIE. These actions, in fact, were taken to assure NIE the continued funding for its important work.

These 1-year extensions are solely for the procedural purpose of maintaining the normal and orderly process of appropriations for these programs. They do not mean to prejudge the reauthorization recommendations for these programs which will be brought before the House before the end of this session. Those recommendations could well include basic changes or even the termination of some programs for which a 1-year extension is now being sought.

Clarification of the Commissioner's regulatory authority under the basic grant program.—Section 5(a)(2)(A) of the bill makes it clear that the basic grant family contribution schedule issued by the Commissioner for the 1979-80 academic year governs the expenditure of funds appropriated in fiscal year 1979 as well as funds carried over from fiscal year 1978. This family contribution schedule implements the broadening of the basic grant program to students from middle income families and the more equitable treatment of independent students as provided for by the Middle Income Student Assistance Act (MISAA).

If this amendment is not adopted, HEW believes that the independent student provisions included in the Middle Income Student Assistance Act would not be funded through the fiscal year 1979 appropriation.

While these changes in the treatment of independent students could be funded through the unexpended fiscal year 1978 money (assuming the waiver of the limitation on basic grant carryover amounts is adopted), the Office of Education would have to establish two separate funding tracks—one for dependent students from fiscal year 1979 funds and one for independent students from fiscal year 1978 funds. At the institutional level, schools would have to set up separate records, accounting procedures, and reporting mechanisms for the fiscal year 1978 and fiscal year 1979 funds. This would create a large and needless administrative burden.

This amendment was requested by the administration in a letter to the Speaker of May 7, 1979.

Waiver of the limitation on basic grant carryover amount.—Current law (sections 411(b)(3)(ii) and 411(b)(4)(B) of the Higher Education Act) requires that, when the appropriations for the basic grant program exceed the amount expended for basic grants in a given year by more than 15 percent, the excess appropriations may not be carried over to the next year. Instead they must be allocated to students in that year if all students have not received the full amount of their entitlement. The appropriation for Basic Grants in fiscal year 1978 was $2.14 billion to be expended in the just-concluded 1978–79 academic year.

In large part because of the tighter administration of the basic grant program last year, $700 million of the fiscal year 1978 appropriation remains unexpended. Also, during the 1978–79 academic year appropriations were geared to a maximum grant of $1,600 rather than the $1,800 maximum in the law. Since the unexpended $700 million exceeds 15 percent of the fiscal year 1978 appropriation and since students did

not receive the full amount of their entitlement in academic year 1978–79, the law prohibits the $700 million from being carried over for use in subsequent years and requires that this money be allocated to students who participated in the program in 1978–79. This would require, in practice, that the awards to the 1.9 million students who received basic grants in 1978–79 be recalculated based on a $1,800 maximum grant rather than a $1,600 maximum grant and that these students be given any aditional amount for which they are eligible. It obviously would be an administrative nightmare to recalculate the awards of 1.9 million students for the past academic year. Students, or former students, would also receive, in effect, a windfall—an additional basic grant award after the academic year is over.

The administration's fiscal year 1980 budget recommendations, the First Concurrent Resolution on the Fiscal Year 1980 Budget and the and the fiscal year 1980 Labor-HEW appropriations bill as reported by the Appropriations Committee all anticipate that excess fiscal year 1978 basic grant funds be carried over to subsequent fiscal years.

In particular, funds carried over from fiscal year 1978 are anticipated for use with the fiscal year 1979 appropriation for the basic grant program to implement the Middle Income Student Assistance Act in the academic year 1979–80. Without these carryover funds the more equitable treatment of independent students provided for by MISAA cannot be accomplished. That would mean that 70,000 independent, self-supporting students would be ineligible for basic grants in the 1979–80 school year and 612,000 independent students would receive smaller grants than provided for by MISAA. This amendment, section 5(a)(2)(B) of the bill, was requested by the administration in a letter to the Speaker of May 7, 1979.

Implementation of interest subsidy and special allowance payments on multiply disbursed loans.—Section 428(a)(8) of the Higher Education Act, enacted by the Education Amendments of 1976, permits commercial lenders to provide guaranteed student loans to students in multiple disbursements. It also provides that these lenders can collect the interest subsidy and the special allowance on the entire amount of the loan, not only on the portion actually disbursed.

This provision was intended to provide a strong incentive for experienced commercial lenders to make loans available to students in multiple disbursements. Multiple disbursement of student loans would help to reduce loan defaults since students who drop out during the school year would not yet have received all of the loan and would owe a smaller amount for repayment.

Implementation of section 438(a)(8) is tied to the issuance of regulations by the Commissioner. Although the Education Amendments of 1976 were enacted on October 12, 1976, the regulations to implement this section have not been promulgated. Section 5(b) of this bill states that, if these regulations have not been promulgated before September 30, 1979, all commercial lenders will be approved to receive the interest subsidy and special allowance on multiply disbursed loans without the benefit of the regulations.

In a May 30 hearing before the Subcommittee on Postsecondary Education, a representative of the United States Student Association

called to the attention of the subcommittee the failure of the Commissioner to implement this provision of the Education Amendments of 1976. Joel Packer noted that implementation of section 428(a)(8) would "help increase lender participation * * * (and) capital availability, reduce amounts of default, and probably reduce the probability of default."

Modification of the limitation on the guaranteed student loan special allowance.—While the student borrowers are in school, lenders under the guaranteed student loan program are paid the student's 7-percent interest by the Federal Government. In addition, lenders are paid a special allowance to make the yield on student loans comparable to other lending opportunities. Under current law, the amount of the special allowance for each quarter is calculated by subtracting 3.5 percent from the average of the bond equivalent rates of the 91-day Treasury bills auctioned for that quarter. However, the law also specifies that the special allowance may not exceed an average of 5 percent for any four successive quarters.

The soaring interest rates, which are visible in the economy generally, have been reflected in the rates for Treasury bills. In the third quarter of 1978, the Treasury bill rate was 7⅝ percent yielding a special allowance of 4⅛ percent. It rose to 9⅛ percent in the fourth quarter of 1978, yielding a special allowance of 5⅝ percent. And in the first quarter of 1979, the Treasury bill rate continued to increase to 9¾ percent, yielding a special allowance of 6¼ percent.

Given that the special allowance may not exceed an average of 5 percent for a 12-month period, the maximum special allowance that can be paid for the second quarter of 1979 (April–June) is 4 percent. If the formula in the law were allowed to work without the 5-percent limitation, the special allowance for the second quarter of 1979 would be 6¼ percent rather than 4 percent. Thus, lenders will receive 2¼ percent less than the state of the money market, as reflected in the Treasury bill rate, would justify. Projections of the Treasury bill rate by the Congressional Budget Office indicate that this rate will be 9⅜ percent in the third quarter (July-September) of this year. This would justify a special allowance of 5⅞ percent. However, current law will permit payment of only 4⅛ percent for that period. Thus lenders will receive 1¾ percent less than the state of the money market is likely to justify for that period.

It must be stressed that the participation of lenders in this program is voluntary and that their return on student loans will be substantially curtailed during the peak lending season (April-September) when students are preparing to finance their expenses for the 1979–80 academic year.

Section 5(c) of the bill simply removes the 5-percent limitation for a 12-month period on the interest subsidy. This change in the special allowance is made effective for the second quarter of 1979 and for succeeding quarters.

It is important to note that, when the Higher Education Act was enacted in 1965, the maximum interest rate permitted was 6 percent, with no special allowance. When interest rates rose in the spring of 1968, lender participation decreased and was only restored when Con-

gress enacted Public Law 90–460 in August 1968 raising the maximum interest rate to 7 percent. Interest rates continued to rise and by the summer of 1969, a similar crisis occurred. The result was the enactment of the Emergency Insured Student Loan Act of 1969 which authorized a special allowance up to a maximum of 3 percent to be paid to lenders. As interest rates continued to rise and the 3-percent maximum special allowance was about to be reached, the laws was modified by the Education Amendments of 1976 with the current provision providing for a maximum 5-percent special allowance averaged over four consecutive quarters. Thus, each time in the past when statutory maximum yield on guaranteed student loans has made them unattractive to lenders because of generally higher yields available from other investments, the Congress has acted to increase the yield to lenders from student loans to insure their continued participation in the program.

The bill delays the payment to lenders of a special allowance in excess of what they would receive under current law until after October 1, 1979, so that the budgetary impact of this change in the special allowance will occur in fiscal year 1980 rather than fiscal year 1979 to avoid potential problems under the Congressional Budget Act.

While section 5(c) has as its primary purpose the removal of the statutory limit on the special allowance rate, the rate remains governed by its statutory relationship to the rates paid on 91-day Treasury bills. This section also provides for special treatment of the special treatment of the special allowances to be paid for fiscal quarters ending June 30 and September 30, 1979. The special allowance for the quarter ending June 30, 1979, is to be paid in two installments. The first installment will be paid as soon as possible after the quarter's end and will be equal to the special allowance for which lenders would be eligible before the statutory maximum rate was removed. The second installment, to be paid as soon as possible after October 1, 1979, should be equal to the balance of the special allowance which would have been paid if the statutory maximum had been removed. No penalty interest shall be paid on this second installment. The special allowance for the quarter ending September 30, 1979, shall be paid in a single installment on or after October 1, 1979. This installment shall be equal to the special allowance which would have been computed without respect to any statutory maximum rate.

In a letter to the Speaker of June 19, 1979, the administration requested that the ceiling for the special allowance be raised from 5 to 6 percent for the second and third quarters of calendar 1979 and that the new 6-percent ceiling for these two quarters not be affected by the requirement of averaging four quarters. The letter to the Speaker also notes that "this relief is necessary to insure the continued availability of capital for the making of new student loans for the upcoming academic year."

Improved collection of national direct student loans.—Current law (Section 463(a)(5) of the Higher Education Act) permits the Commissioner to collect defaulted national direct student loans only after

they have been in default for at least 2 years and also requires that the institution "assign" the loan to the Commissioner and that any money which the Commissioner recovers be returned to the Treasury. This provision is a deterrent to the effective collection of defaulted national direct student loans for three reasons:

1. The Commissioner can only assist an institution in NDSL collections if a loan has been in default for at least 2 years. After a loan has been in default for 2 years or more, it is generally very difficult to locate the borrower or initiate an effective collection effort. Assistance from the Commissioner in collecting defaulted national direct student loans would be much more effective if it could occur sooner than 2 years after a loan has gone into default.

2. The requirement that national direct student loans be "assigned" to the Commissioner bars some public institutions from allowing the Commissioner to collect defaulted loans. Some States have laws prohibiting the assignment of State assets to another party. In the case of NDSL programs at public institutions, the 10-percent institutional matching required under the program is State money. In States with such laws these loans may not be assigned to the Commissioner for collection.

3. Since institutions cannot receive any of the money collected by the Commissioner, even their 10-percent match, there is no incentive for them to assign them to the Commissioner even if there is not a State law barring such action in the case of public institutions.

The bill includes a new provision (section 5(d)(3)) allowing the Commissioner to collect defaulted national direct student loans which avoids these problems. Under this provision, the Commissioner could collect defaulted loans "on behalf of" the institution. Thus the loans need not be "assigned" to the Commissioner, and the problem of State laws barring the assignment of State assets is avoided. In addition, the Commissioner would return to the institutions any amounts he collects less any expenses of collection he incurs. Therefore institutions would have a much greater incentive to seek the assistance of the Commissioner in collecting these loans. Finally, the loans would not have to have been in default for 2 years.

Testifying on behalf of the National Association of Student Financial Aid Administrators on May 30, Mr. Arthur Fritz urged that the committee adopt legislative changes to deal with the problems in NDSL collections presented by current law. As similar recommendation was made to the subcommittee on June 19 by Mr. Charles Saunders, vice president for governmental relations of the American Council on Education.

Providing equal treatment for students at nonprofit postsecondary vocational schools.—The new general regulations governing the basic grant program, which were published earlier this year, require that, in order to be eligible for Federal student assistance, students attending nonprofit postsecondary vocational schools must be enrolled in programs of at least 1-year's duration. On the other hand, to be eligible

for Federal student aid, students attending proprietary vocational schools need only be enrolled in programs of at least 6 months' duration. This disparity in the treatment of students in identical programs stems from the definition of these programs in section 491 of the Higher Education Act. An analysis of this situation prepared for the subcommittee by the Congressional Research Service indicates that there is no policy purpose for this disparity to be found in the legislative history of the Higher Education Act. It appears to be simply an oversight in legislative drafting.

Section 5(e) of the bill simply conforms the treatment of nonprofit postsecondary vocational schools to that accorded to proprietary schools, requiring that they both offer programs of at least 6 months' duration.

However, the committee does not intend that this section require the Commissioner to reopen the campus-based application process for 1979–80 to make grants to newly eligible institutions. It does allow any institution which has received campus-based funds for 1979–80 to make campus-based aid available to their newly eligible students, who are also made eligible for basic grants and guaranteed loans. The campus-based programs are national direct student loans, college work-study, and supplemental educational opportunity grants.

Correction of error in the Middle Income Student Assistance Act.—Section 16 of the bill modifies the periods of enrollment covered by the changes in the basic grant program made by the Middle Income Student Assistance Act from "periods of enrollment beginning on or after August 1, 1979" to "periods of enrollment beginning on or after July 1, 1979." This change corrects a drafting error in the Middle Income Student Assistance Act and conforms it to the current administrative practice of the basic grant program.

The 1979–80 family contribution schedule revisions submitted by the administration were not disapproved by the October 1 deadline stated in the law. These revisions, therefore, automatically become effective for the 1979–80 academic year (July 1, 1979–June 30, 1980). The proposed revisions set the assessment rate on parental income at 12 percent. However, MISAA set the assessment rate at 10.5 per cent and becomes effective on August 1, 1979.

Without this technical amendment, HEW reports that dependents students would have to have their awards calculated on the basis of a family contribution schedule which has a 12-percent assessment rate. This rate would apply for only that month. As of August 1, these students awards would have to be recalculated on the basis of a family contribution schedule which uses a 10.5-percent rate to cover all periods of enrollment after August 1. This would present a significant administrative burden for schools and would cause confusion for students and schools.

This amendment was requested by the administration in a letter to the Speaker of April 11, 1979.

OVERSIGHT

No findings or recommendations concerning oversight of the amendments contained in H.R. 4476 have been received by the committee from the Committee on Government Operations.

INFLATIONARY IMPACT

Because of inflationary pressures in our economy, this legislation is necessary to assure continued capital in the student loan program. Therefore, the committee believes that it will not have any inflationary impact with respect to the guaranteed student loan program. The other provisions in the bill are of a technical, clarifying, or conforming nature and will have no impact on inflation. In that the 1-year extension of the authorization of higher education programs is at the current authorization levels, no inflationary impact will occur as a result.

The required report of the Congressional Budget Office follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., July 3, 1979.

HON. CARL D. PERKINS,
Chairman, Committee on Education and Labor,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached cost estimate for H.R. 4476, the Higher Education Technical Amendments of 1979.

Should the committee so desire, we would be pleased to provide further details on this estimate.

Sincerely,

ALICE M. RIVLIN, *Director.*

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

JULY 3, 1979.

1. Bill No. H.R. 4476.
2. Bill title: Higher Education Technical Amendments of 1979.
3. Bill status: Ordered reported from the House Education and Labor Committee on June 26, 1979.
4. Bill purpose: The purpose of this bill is to (1) eliminate the cap on special allowance payments in the guarantee student loan program (GSLP) and (2) to reauthorize the higher education programs for 1980 in order to extend their authorization through 1981 under the General Education Provisions Act.

5. Cost estimate:

[By fiscal years; in millions of dollars]

	1980	1981	1982	1983	1984
Sec. 2—Community service and continuing education programs:					
Authorization level		80.0			
Projected outlays		9.6	56.0	14.4	
Sec. 3—College library assistance and library training and research:					
Authorization level		140.0			
Projected outlays		16.8	63.0	36.4	23.8
Sec. 4—Strengthening developing institutions:					
Authorization level		120.0			
Projected outlays		14.4	72.0	33.6	
Sec. 5—Student assistance:					
Projected authorization level	78.1	3,560.4			
Projected outlays	78.1	362.9	2,301.9	895.6	
Sec. 6—Teachers corp and teacher training:					
Authorization level		175.0			
Projected outlays		21.0	105.0	49.0	
Sec. 7—Financial assistance for the improvement of undergraduate instruction:					
Authorization level		70.0			
Projected outlays		8.4	42.0	19.6	
Sec. 8—Construction, reconstruction and renovation of academic facilities:					
Authorization levels		593.5			
Projected outlays		83.1	348.0	162.4	
Sec. 9—Graduate programs:					
Projected authorization levels		130.0			
Projected outlays		15.5	63.3	51.2	
Sec. 10—Community college programs:					
Authorization level		165.7			
Projected outlays		20.0	103.7	42.0	
Sec. 11—Law school clinical program:					
Authorization level		7.5			
Projected outlays		.9	4.5	2.1	
Sec. 12—Statewide planning:					
Authorization level		2.0			
Projected outlays		1.0	1.0		
Sec. 13—Funds for the improvement of postsecondary education:					
Authorization level		75.0			
Projected outlays		9.0	45.0	21.0	
Sec. 14—National Institute of Education:					
Authorization level		125.0			
Projected outlays		50.0	50.0	12.5	12.5
Sec. 15—National Defense Education Act:					
Authorization level		75.0			
Projected outlays		9.0	45.0	21.0	
Total:					
Authorization level	78.1	5,319.1			
Projected outlays	78.1	621.6	3,300.4	1,360.8	36.3

The cost of this bill fall in Function 500.

6. Basis of estimate: The higher education programs are currently authorized through fiscal year 1979. Under section 414(a) of the General Education Provisions Act, however, the authorization for these programs has been automatically extended to fiscal year 1980. H.R. 4476 authorizes the higher education programs for fiscal year 1980. Because of the way the funding process works for these programs, however, the effect of this legislation is to extend the authorization for the programs to fiscal year 1981 at the fiscal year 1980 levels stated in this bill. If another bill containing 1981 authorizations is enacted before the 1981 appropriation process is completed, the amounts for fiscal year 1981 in that bill will take precedent.

The cost estimate for H.R. 4476 is based primarily on the authorization levels stated in the bill for fiscal year 1980. There are basically four provisions which are authorized at such sums as may be neces-

sary: the basic educational opportunity grants (BEOG) program, the guarantee student loar program (GSLP) special allowance interest rate change, the veterans cost of instruction program, and the graduate fellowship programs.

The CBO estimate for the BEOG program for fiscal year 1981 is $2,578 million. This is based on an estimate of 2.6 million recipients at an average award of $992.

The provision, section 5(c), which eliminates the cap on the special allowance rate in the GSLP is the only provision affecting fiscal year 1980 and is the only provision affecting a mandatory program. The cost of eliminating the cap on the special allowance paid to lenders is $78.1 million in fiscal year 1980. The bill authorizes the change effective in 1980 but retroactive to the second quarter of calendar 1979 which is the third quarter of fiscal year 1979. The payments sent to lenders as of July 1, 1979 for loans held in their portfolios during the second quarter of the calendar year has been based on a 4 percent interest rate, the payments for the third quarter are to be made at a projected rate of 4.3 under current law. The interest rate during the first two quarters of the fiscal year were 5.63 percent and 6.25 percent respectively. The interest rates for the last two quarters of the year must be substantially reduced due to the average annual 5 percent cap on the rate. This bill changes the interest rates paid to lenders for the last two quarters of fiscal year 1979 to 6.8 and 5.9 respectively. The average loan volume for fiscal year 1979 is estimated to be $7.7 billion. CBO projects interest rates to drop during fiscal year 1980 and thus there is only a marginal cost increase above the current program costs in that year.

The veterans cost-of-instruction program estimate is based on the administration's projection for full funding in fiscal year 1981 of $92.4 million. The graduate fellowships were estimated based on the average cost per fellowship in 1979 inflated by the CBO assumption for cost increases in higher education.

Projected total outlays for all the programs except the GSLP program reflect the current spending patterns. Almost all of them are forward funded with the outlay impact falling in the second and third years. The GSLP outlays are 100 percent since the payments will be made during fiscal year 1980.

7. Estimate comparison: None.
8. Previous CBO estimate: None.
9. Estimate prepared by Deborah Kalcevic.
10. Estimate approved by:

C. G. Nuckols,
(For James L. Blum, Assistant
Director for Budget Analysis.

Section-by-Section Analysis of H.R. 4476

Section 1 designates this bill as the "Higher Education Technical Amendments of 1979."

Section 2 extends the authorization of appropriations for title I of the Higher Education Act (Community Services and Continuing Education) through fiscal year 1981.

Section 3 extends the authorization of appropriations for title II of the Higher Education Act (College Library Assistance and Library Training and Research) through fiscal year 1981.

Section 4 extends the authorization of appropriations for title III of the act (Strengthening Developing Institutions) through fiscal year 1981.

Section 5(a)(1) extends the authorization for awarding basic educational opportunity grants through fiscal year 1981.

Section 5(a)(2)(A) amends the act to insure that the basic educational opportunity grant family contribution schedule issued by the Commissioner for the 1979–80 academic year governs the expenditure of funds appropriated in fiscal year 1979 as well as funds carried over from fiscal year 1978. This amendment will permit implementation of the Middle Income Student Assistance Act with respect to the more equitable treatment of all students and particularly independent students.

Section 5(a)(2)(B) eliminates the prohibition against carrying over unexpended basic grant appropriations to the next year if the excess is more than 15 percent of the appropriation. This amendment will also provide the funds necessary to implement the provisions of the Middle Income Student Assistance Act.

Section 5(a)(3) extends the authorization of appropriations for title IV, part A, subpart 2 of the act (Supplemental Educational Opportunity Grant) through fiscal year 1981.

Section 5(a)(4) extends the authorization of appropriations for title IV, part A, subpart 3 of the act (Grants to States for State Student Incentives) through fiscal year 1981.

Section 5(a)(5) extends the authorization of appropriations for title IV, part A, subpart 4 of the act (Special Programs for Students from Disadvantaged Backgrounds) through fiscal year 1981.

Section 5(a)(6) extends the authorization of appropriations for title IV, part A, subpart 5 of the act (Education Information) through fiscal year 1981.

Sections 5(a)(7)(A) and (B) extend the authorization of appropriations for section 420 of the act (Veterans' Cost of Instruction Payments to Institutions of Higher Education) through fiscal year 1981.

Section 5(b) amends section 428(a)(8) of the act to eliminate the requirement that regulations implementing this section be promulgated before lenders in the guaranteed student loan program can collect the interest subsidy and special allowance on the entire amount of multiple disbursed loans, if such regulations have not been promulgated by September 30, 1979.

Section 5(c)(1) modifies the limitation on the guaranteed student loan special allowance by removing the ceiling on the annual special allowance paid lenders by the Federal Government for interest in excess of the 7 percent interest charged students. This section eliminates the provision that the special allowance may not exceed an average of 5 percent for any four successive quarters effective for the second quarter of 1979 and for succeeding quarters.

Section 5(c)(2) amends the act by delaying the payment of the special allowance which is in excess of the allowance permitted in current law as provided by section 5(c)(1) of this bill until after October 1, 1979, and provides that no penalty interest shall be paid on the

portion of the increased special allowance which is in excess of the amount which would have been paid except for section 5(c)(1).

Sections 5(d) (1) and (2) extend the authorizations of appropriations for title IV, part E, of the act (Direct Loans to Students in Institutions of Higher Education) through fiscal year 1981.

Section 5(d)(3) amends the act to establish a new procedure whereby the Commissioner can collect defaulted NDSL on behalf of postsecondary institutions and permits the Commissioner to retain a sufficient portion of the amounts collected to cover the costs of collection.

Sections 5(e) (1) and *(2)* amend the definition of a nonprofit postsecondary vocational school to conform with the definition of a proprietary postsecondary vocational school by requiring that both offer programs of at least 6 months' duration.

Section 6(a) extends the authorization of appropriations for title V, part A of the act (Teacher Corps Program) through fiscal year 1981.

Section 6(b) extends the authorization of appropriations for title V, part B of the act (Teacher Training Programs) through fiscal year 1981.

Sections 7 (a) and (b) extend the authorizations of appropriations for title VI of the act (Financial Assistance for the Improvement of Undergraduate Instruction) through fiscal year 1981.

Section 8(a) extends the authorization of appropriations for title VII, part A of the act (Grants for the Construction, Reconstruction and Renovation of Undergraduate Academic Facilities) through fiscal year 1981.

Section 8(b) extends the authorization of appropriations for title VII, part B of the act (Grants for Construction, Reconstruction and Renovation of Graduate Academic Facilities) through fiscal year 1981.

Section 8(c)(1) extends the authorization of appropriations for title VII, part C of the act (Loans for Construction, Reconstruction and Renovation of Academic Facilities) through fiscal year 1981.

Section 8(c)(2) extends the authority for payment of annual interest grants provided in title VII, part C of the act (Loans for Construction, Reconstruction and Renovation of Academic Facilities) through fiscal year 1981.

Section 9(a) extends the authorization of appropriations for title IX, part A of the act (Graduate Programs; Grants to Institutions of Higher Education) through fiscal year 1981.

Section 9(b) extends the authority of the Commissioner of Education to award fellowships for study in graduate programs at institutions of higher education through fiscal year 1981.

Section 9(c) extends the authority of the Commissioner of Education to award fellowships for graduate or professional study for careers in public service through fiscal year 1981.

Section 9(d)(1) extends the authority of the Commissioner of Education to award fellowships based on financial need for the advanced study of domestic mining and mineral conservation.

Section 9(d)(2) extends the authority of the Commissioner of Education to make grants with agencies and organizations to assist disadvantaged individuals in training in the legal profession.

Section 10(a) extends the authorization of appropriations for title X, part A of the act (Establishment and Expansion of Community Colleges; Statewide Plans) through fiscal year 1981.

Section 10(b) extends the authorization of appropriations for title X, part B of the act (Establishment and Expansion of Community Colleges) through fiscal year 1981.

Section 11 extends the authorization of appropriations for title XI of the act (Law School Clinical Experience Programs) through fiscal year 1981.

Section 12 extends the authorizations of appropriations for section 1203 of the act (Comprehensive Statewide Planning) through fiscal year 1981.

Section 13 extends the authorization of appropriations for section 404(e) of the General Education Provisions Act (Fund for the Improvement of Postsecondary Education) through fiscal year 1981.

Section 14 extends the authorization of appropriations for section 405(j) of the General Education Provisions Act (National Institute of Education) through fiscal year 1981 and lowers the authorization from $200 million to $125 million.

Section 15 extends the authorization of appropriations for section 604 of the National Defense Education Act of 1958 (Foreign Studies and Language Development) through fiscal year 1981.

Section 16 corrects an error in the Middle Income Student Assistance Act (Public Law 95–566) by permitting basic educational opportunity grant awards as modified by Public Law 95–566 to apply to periods of enrollment beginning on or after July 1, 1979. This conforms with current administrative practice of the basic grant program.

Section 17(a) provides that the effective date of the amendments made by section 5(c) shall be October 1, 1979.

Section 17(b) provides that the change in the definition of nonprofit postsecondary vocational school contained in section 5(e) of this bill shall apply to student financial assistance available beginning with the academic year 1979–80.

Changes in Existing Law Made by the Bill, as Reported

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

Higher Education Act of 1965

TITLE I—COMMUNITY SERVICE AND CONTINUING EDUCATION PROGRAMS

Part A—Community Service and Continuing Education Programs

APPROPRIATIONS AUTHORIZED

Sec. 101. (a) For the purpose of (1) assisting the people of the United States in the solution of community problems such as housing,

poverty, government, recreation, employment, youth opportunities, transportation, health, and land use by enabling the Commissioner to make grants under this title to strengthen community service programs of colleges and universities, (2) supporting the expansion of continuing education in colleges and universities, and (3) supporting resource materials sharing programs, there are authorized to be appropriated $40,000,000 for the [fiscal years 1977, 1978, and 1979.] *fiscal year 1977 and for each of the succeeding fiscal years ending prior to October 1, 1980.*

(b) For the purpose of carrying out a program for the promotion of lifelong learning in accordance with the provisions of part B, there are authorized to be appropriated $20,000,000 for fiscal year 1977, $30,000,000 for fiscal year 1978, and $40,000,000 for fiscal year 1979, *and for each of the succeeding fiscal years ending prior to October 1, 1980.*

* * * * * * *

TITLE II—COLLEGE LIBRARY ASSISTANCE AND LIBRARY TRAINING AND RESEARCH

COLLEGE LIBRARY PROGRAMS; TRAINING; RESEARCH

SEC. 201. (a) The Commissioner shall carry out a program of financial assistance—

(1) to assist and encourage institutions of higher education in the acquisition of library resources, including law library resources, in accordance with part A; and

(2) to assist with and encourage research and training persons in librarianship, including law librarianship, in accordance with part B.

(b) For the purpose of making grants under parts A and B, there are authorized to be appropriated $110,000,000 for fiscal year 1977, $115,000,000 for fiscal year 1978, and $120,000,000 for fiscal year 1979, *and for the succeeding fiscal year.* Of the sums appropriated pursuant to the preceding sentence for any fiscal year, 70 per centum shall be used for the purposes of part A and fiscal year, and 30 per centum shall be used for the purposes of part B, except that the amount available for the purposes of part B for any fiscal year shall not be less than the amount appropriated for such purposes for the fiscal year ending June 30, 1972.

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PART C—STRENGTHENING RESEARCH LIBRARY RESOURCES

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APPROPRIATIONS AUTHORIZED

SEC. 232. There are authorized to be appropriated $10,000,000 for the fiscal year 1977, $15,000,000 for fiscal year 1978, and $20,000,000 for fiscal year 1979, *and for the succeeding fiscal year.*

* * * * * * *

TITLE III—STRENGTHENING DEVELOPING INSTITUTIONS

AUTHORIZATION

SEC. 301. (a) The Commissioner shall carry out a program of special assistance to strengthen the academic quality of developing institutions which have the desire and potential to make a substantial contribution to the higher education resources of the Nation but which are struggling for survival and are isolated from the main currents of academic life.

(b) (1) For the purpose of carrying out this title, there are authorized to be appropriated $120,000,000 for the fiscal year ending June 30, 1973, and for each of the succeeding fiscal years ending prior to October 1, [1979] *1980*.

(2) Of the sums appropriated pursuant to this subsection for any fiscal year, 76 per centum shall be available only for carrying out the provisions of this title with respect to developing institutions which plan to award one or more bachelor's degrees during such year.

(3) The remainder of the sums so appropriated shall be available only for carrying out the provisions of this title with respect to developing institutions which do not plan to award such a degree during such year.

* * * * * * *

TITLE IV—STUDENT ASSISTANCE

PART A—GRANTS TO STUDENTS IN ATTENDANCE AT INSTITUTIONS OF HIGHER EDUCATION

* * * * * * *

SUBPART 1—BASIC EDUCATIONAL OPPORTUNITY GRANTS

BASIC EDUCATIONAL OPPORTUNITY GRANTS: AMOUNT AND DETERMINATIONS; APPLICATIONS

SEC. 411. (a) (1) The Commissioner shall, during the period beginning July 1, 1972, and ending September 30, [1979,] *1980*, pay to each student who has been accepted for enrollment in, or is in good standing at, an institution of higher education (according to the prescribed standards, regulations, and practices of that institution) for each academic year during which that student is in attendance at that institution, as an undergraduate, a basic grant in the amount for which that student is eligible, as determined pursuant to paragraph (2).

* * * * * * *

(3) (A) (i) Not later than July 1 of each calendar year, the Commissioner shall publish in the Federal Register a schedule of expected family contributions for the academic year which begins after July 1 of the calendar year which succeeds such calendar year for various levels of family income, which, except as is otherwise provided in

division (ii), together with any amendments thereto, shall become effective July 1 of the calendar year which succeeds such calendar year. During the thirty-day period following such publication the Commissioner shall provide interested parties with an opportunity to present their views and make recommendations with respect to such schedule.

(ii) The schedule of expected family contributions required by division (i) for each academic year shall be submitted to the President of the Senate and the Speaker of the House of Representatives not later than the time of its publication in the Federal Register. If either the Senate or the House of Representatives adopts, prior to the first day of October next following the submission of said schedule as required by this division, a resolution of disapproval of such schedule, the Commissioner shall publish a new schedule of expected family contributions in the Federal Register not later than fifteen days after the adoption of such resolution of disapproval. Such new schedule shall take into consideration such recommendations as may be made in either House in connection with such resolution and shall become effective, together with any amendments thereto, with respect to grants to be made on or after the first day of July next following. The Commissioner shall publish together with such new schedule, a statement identifying the recommendations made in either House in connection with such resolution of disapproval and explaining his reasons for the new schedule.

(B) (i) For the purposes of this paragraph and subsection (b), the term "family contribution" with respect to any student means the amount which the family of that student may be reasonably expected to contribute toward his postsecondary education for the academic year for which the determination under subparagraph (A) of paragraph (2) is made, as determined in accordance with regulations. In promulgating such regulations, the Commissioner shall follow the basic criteria set forth in division (ii) of this subparagraph.

(ii) The basic criteria to be followed in promulgating regulations with respect to expected family contributions are as follows:

(I) The amount of the effective income of the student or the effective family income of the student's family.

(II) The number of dependents of the family of the student.

(III) The number of dependents of the student's family who are in attendance in a program of postsecondary education and for whom the family may be reasonably expected to contribute for their postsecondary education.

(IV) The amount of the assets of the student and those of the student's family.

(V) Any unusual expenses of the student or his family, such as unusual medical expenses, and those which may arise from a catastrophe.

(VI) Any educational expenses of other dependent children in the family.

(iii) For the purposes of clause (I) of division (ii), the term "effective family income" with respect to a student, and including any amount paid under the Social Security Act to, or on account of, the

student which would not be paid if he were not a student and one-half any amount paid the student under chapters 34 and 35 of title 38, United States Code, means the annual adjusted family income, as determined in accordance with regulations prescribed by the Commissioner, received by the parents or guardian of that student (or the person or persons having an equivalent relationship to such student) minus Federal income tax paid or payable with respect to such income.

(iv) In determining the expected family contribution under this subparagraph for any academic year after academic year 1978–1979, an assessment rate of not more than 10.5 per centum shall be applied to parental discretionary income.

(C) The Commissioner shall promulgate special regulations for determining the expected family contribution and effective family income of a student who is determined (pursuant to regulations of the Commissioner) to be independent of his parents or guardians (or the person or persons having an equivalent relationship to such student). Such special regulations shall be consistent with the basic criteria set forth in division (ii) of subparagraph (B). In addition, such regulations shall—

(i) provide that the portion of assets which shall be exempt from assessment for contribution for an independent student who has one or more dependents shall be the same as the portion so exempt for the family of a dependent student;

(ii) provide that the rate of assessment for contribution on that portion of assets of such an independent student which is not exempt under division (i) shall be the same as the rate applied to the comparable portion of assets of the family of a dependent student; and

(iii) in establishing a portion of effective family income which shall be exempt from assessment for contribution by reason of subsistence requirements of independent students who have no dependents, use the same method for computation of such portion for such students as is used for dependent students and for independent students who have dependents.

(D) Notwithstanding any other provision of law, regulations required to be promulgated by the Commissioner under this paragraph for the academic year 1979–1980 shall be effective with respect to funds appropriated for the purpose of making payments under this subpart for that academic year.

* * * * * * *

SUBPART 2—SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS

PURPOSE; APPROPRIATIONS AUTHORIZED

SEC. 413A. (a) It is the purpose of this subpart to provide, through institutions of higher education, supplemental grants to assist in making available the benefits of postsecondary education to qualified students who, for lack of financial means, would be unable to obtain such benefits without such a grant.

(b)(1) For the purpose of enabling the Commissioner to make payments to institutions of higher education which have made agreements

with the Commissioner in accordance with with section 413C(b), for use by such institutions for payments to undergraduate students for the initial academic year of a supplemental grant awarded to them under this subpart, there are authorized to be appropriated $200,000,000 for the fiscal year ending June 30, 1973, and for each of the succeeding years ending prior to October 1, [1979]. *1980.* Funds appropriated pursuant to this paragraph shall be appropriated separate from any funds appropriated pursuant to paragraph (2).

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SUBPART 3—GRANTS TO STATES FOR STATE STUDENT INCENTIVES

PURPOSE; APPROPRIATIONS AUTHORIZED

SEC. 415A. (a) It is the purpose of this subpart to make incentive grants available to the States to assist them in providing grants to eligible students in attendance at institutions of higher education.

(b)(1) There are hereby authorized to be appropriated $50,000,000 for the fiscal year ending June 30, 1973, and for each of the succeeding fiscal years ending prior to October 1, [1979], *1980*, for payments to the States for grants to students who have not previously been awarded such grants.

* * * * * * * *

SUBPART 4—SPECIAL PROGRAMS FOR STUDENTS FROM DISADVANTAGED BACKGROUNDS

PROGRAM AUTHORIZATION

SEC. 417A. (a) The Commissioner shall, in accordance with the provisions of this subpart, carry out a program designed to identify qualified students from low-income families, to prepare them for a program of postsecondary education, and to provide special services for such students who are pursuing programs of postsecondary education.

(b) For the purpose of enabling the Commissioner to carry out this subpart, there are authorized to be appropriated $100,000,000 for the fiscal year ending June 30, 1973, and for each of the succeeding fiscal years ending prior to July 1, 1975, and $200,000,000 for each of the fiscal years ending prior to October 1, [1979]. *1980.*

* * * * * * * *

SUBPART 5—EDUCATION INFORMATION

PROGRAM AUTHORIZATION

SEC. 418A. (a) The Commissioner shall, in accordance with the provisions of this subpart, make grants to States to pay the Federal share of the cost of planning, establishing, and operating Educational Information Centers to provide educational information, guidance, counseling, and referral services for all individuals, including individuals, residing in rural areas.

(b)(1) For the purpose of enabling the Commissioner to carry out this subpart, there are authorized to be appropriated $20,000,000 for

fiscal year 1977, $30,000,000 for fiscal year 1978, and $40,000,000 for fiscal year 1979, *and for the succeeding fiscal year.*

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SUBPART 6—ASSISTANCE TO INSTITUTIONS OF HIGHER EDUCATION

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VETERANS' COST-OF-INSTRUCTION PAYMENTS TO INSTITUTIONS OF HIGHER EDUCATION

SEC. 420. (a)(1) During the period beginning July 1, 1972, and ending September 30, [1979] *1980*, each institution of higher education shall be entitled to a payment under, and in accordance with, this section during any fiscal year if—

(A) the number of persons who are veterans receiving vocational rehabilitation under chapter 31 and title 38, United States Code, or veterans receiving educational assistance under chapter 34 of such title, and who are in attendance as undergraduate students at such institution during any academic year, equals at least—

(i) 110 per centum of the number of such recipients who were in attendance at such institution during the preceding academic year, or

(ii) 10 per centum of the total number of undergraduate students in attendance at such institution during such academic year and if such number does not constitute a per centum of such undergraduate students which is less than such per centum for the preceding academic year; and

(B) the number of such persons is at least 25.

* * * * * * *

(4) With respect to any academic year beginning on or after July 1, 1978, and ending on or before September 30, [1980] *1981*, each institution which has qualified for payment under this section for the preceding year shall be entitled during such period, notwithstanding the provisions of paragraph (1)(A), to a payment under this section if—

(A) the number of persons referred to in paragraph (1) equals at least the number which bears the same ratio to the number of such recipients who were in attendance at such institution during the first academic year in which the institution was entitled to payments under this section as the number of such recipients in all institutions of higher education during the academic year for which the determination is made bears to the number of such recipients in all institutions of higher education for the first such academic year; or

(B) in the event that clause (A) of this paragraph is not satisfied the Commissioner determines, on the basis of evidence presented by such institution, that such institution is making reasonable efforts, taking into consideration the extent to which the number of persons referred to in such paragraph (1) falls short of meeting the ratio criterion set forth in such clause (A), to continue to recruit, enroll, and provide necessary services to veterans.

* * * * * * *

PART B—FEDERAL, STATE, AND PRIVATE PROGRAMS OF LOW-INTEREST INSURED LOANS TO STUDENTS IN INSTITUTIONS OF HIGHER EDUCATION

* * * * * * *

FEDERAL PAYMENTS TO REDUCE STUDENT INTEREST COSTS

SEC. 428. (a)(1) * * *

* * * * * * *

(8)(A) In the case of any eligible lender (other than an eligible institution or any agency or instrumentality of a State), which is approved by the Commissioner pursuant to subparagraph (B) of this paragraph for the purpose of authorizing multiple disbursements and which enters into a binding agreement with a student to make a loan—

(i) for which the student is entitled to have a portion of the interest paid on his behalf under this section, and

(ii) the proceeds of which loan are to be paid to the student in multiple disbursements over the period of enrollment for which the loan is made, but not to exceed twelve months,

the amount of the interest payment and the amount of any special allowance payment to be paid under section 438 shall be determined as if the entire amount to be made available for that period of enrollment had been disbursed on the date on which the first installment thereof was disbursed and any increase in the rate of interest on the loan attributable to such multiple disbursements shall not be deemed to violate any provision of this part relating to the maximum rate of interest on such loan. The provisions of this paragraph shall apply only in the case of loans paid in multiple disbursements, in accordance with regulations of the Commissioner, based on the need of the student for the proceeds of such loan over the period of enrollment for which the loan is made.

(B) The Commissioner may approve an eligible lender for the purposes of this paragraph if he determines—

(i) that such lender is making or will be making a substantial volume of loans on which an interest subsidy is payable under this section, and

(ii) that such lender has sufficient experience and administrative capability in processing such loans to enable the lender to make such multiple disbursements in accordance with regulations issued by the Commissioner under this subparagraph.

(C) If the Commissioner has not promulgated regulations pursuant to this paragraph on or before September 30, 1979, all eligible lenders (other than those excluded under subparagraph (A)) shall be deemed approved by the Commissioner for purposes of this paragraph.

* * * * * * *

SPECIAL ALLOWANCES

SEC. 438. (a) * * *

(b)(1) A special allowance shall be paid for each of the three-month periods ending March 31, June 30, September 30, and December 31 of every year and the amount of such allowance paid to any holder with respect to any three-month period shall be a percentage of the average unpaid balance of principal (not including un-

earned interest added to principal) of all eligible loans held by such holder during such period.

(2) [(A) Subject to subparagraphs (B) and (C) and] *Subject to* paragraph (4), the special allowance paid pursuant to this subsection shall be computed (i) by determining the average of the bond equivalent rates of the ninety-one-day Treasury bills auctioned for such three-month period, (ii) by subtracting 3.5 per centum from such average, (iii) by rounding the resultant per centum upward to the nearest one-eighth of 1 per centum, and (iv) by dividing the resultant per centum by four.

[(B) Except as provided in paragraph (4), if the special allowance computed according to subparagraph (A) would (i) cause the special allowance for any twelve-month period during the period ending September 30, 1977, to exceed 3 per centum, the special allowance rate to be paid for such period shall be reduced to the highest one-eighth of 1 per centum rate interval which would not cause such excess

[(C) Except as provided in paragraph (4), if the special allowance computed according to subparagraph (A) would (i) cause the special allowance for any twelve-month period after October 1, 1977, to exceed 5 per centum, the special allowance rate to be paid for such period shall be reduced to the highest one-eighth of 1 per centum rate which would not cause such excess.]

* * * * * * *

PART E—DIRECT LOANS TO STUDENTS IN INSTITUTIONS OF HIGHER EDUCATION

APPROPRIATIONS AUTHORIZED

SEC. 461. (a) The Commissioner shall carry out a program of stimulating and assisting in the establishment and maintenance of funds at institutions of higher education for the making of low-interest loans to students in need thereof to pursue their courses of study in such institutions.

(b) (1) For the purpose of enabling the Commissioner to make contributions to student loan funds established under this part, there are hereby authorized to be appropriated $75,000,000 for the fiscal year ending June 30, 1972, and $400,000,000 for the fiscal year ending June 30, 1973, and for each of the succeeding fiscal year ending prior to October 1, [1979] *1980*.

(2) In addition there are hereby authorized to be appropriated such sums for the fiscal year ending September 30, [1979,] *1980*, and each of the three succeeding fiscal years as may be necessary to enable students who have received loans for academic years ending prior to October 1, [1979,] *1980*, to continue or complete courses of study.

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COLLECTION OF DEFAULTED LOANS

SEC. 467. The Commissioner is authorized to attempt to collect any loan, which was made under this part and which is in default, referred to him by an institution, with which he has an agreement under subsection (a) of section 463, on behalf of such institution under such

terms and conditions as the Commissioner may prescribe, including reimbursement for expenses he may reasonably incur in attempting such collection.

PART F—GENERAL PROVISIONS RELATING TO STUDENT ASSISTANCE PROGRAMS

Subpart 1—General Provisions

DEFINITIONS

SEC. 491. (a) For purposes of this title, the term "State" has the meaning set forth in section 1201(b).

(b)(1) For the purposes of this title, except subpart 5 of part A, except part B, the term "institution of higher educations" includes any school of nursing; *any postsecondary vocational institution;* and any proprietary institution of higher education which has an agreement with the Commissioner containing such terms and conditions as the Commissioner determines to be necessary to insure that the availability of assistance to students at the school under this title has not resulted, and will not result, in an increase in the tuition, fees, or other charges to such students.

(2) For the purposes of this subsection:

(A) The term "school of nursing" means a public or other nonprofit collegiate or associate degree school of nursing.

(B) The term "collegiate school of nursing" means a department, division, or other administrative unit in a college or university which provides primarily or exclusively an accredited program of education in professional nursing and allied subjects leading to the degree of bachelor of arts, bachelor of science, bachelor of nursing, or to an equivalent degree, or to a graduate degree in nursing.

(C) The term "associate degree school of nursing" means a department, division, or other administrative unit in a junior college, community college, college, or university which provides primarily or exclusively an accredited two-year program of education in professional nursing and allied subjects leading to an associate degree in nursing or to an equivalent degree.

(D) The term "accredited" when applied to any program of nurse education means a program accredited by a recognized body or bodies approved for such purpose by the Commissioner.

(3) For the purposes of this subsection, the term "proprietary institution of higher education" means a school (A) which provides not less than a six-month program of training to prepare students for gainful employment in a recognized occupation, (B) which meets the requirements of clauses (1) and (2) of section 1201(a), (C) which does not meet the requirement of clause (4) of section 1201(a), (D) which is accredited by a nationally recognized accrediting agency or association approved by the Commissioner for this purpose, and (E) which has been in existence for at least two years. Such term also includes a proprietary educational institution in any State which, in lieu of the requirement in clause (1) of section 1201(a), admits as regular student's persons who are beyond the age of compulsory school

attendance in the State in which the institution is located and who have the ability to benefit from the training offered by the institution. For purposes of this paragraph, the Commissioner shall publish a list of nationally recognized accrediting agencies or associations which he determines to be reliable authority as to the quality of training offered.

(4) For the purposes of this subsection, the term "postsecondary vocational institution" means a school (A) which provides not less than a six-month program of training to prepare students for gainful employment in a recognized occupation, (B) which meets the requirements of clauses (1), (2) and (4) of section 1201(a), (C) which is accredited by a nationally recognized accrediting agency or association approved by the Commissioner for this purpose, and (D) which has been in existence for at least two years. For the purpose of this paragraph, the Commissioner shall publish a list of nationally recognized accrediting agencies or associations which he determines to be reliable authorities to the quality of training offered.

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TITLE V—TEACHER CORPS AND TEACHER TRAINING PROGRAMS

PART A—TEACHER CORPS PROGRAM

STATEMENT OF PURPOSE AND AUTHORIZATION OF APPROPRIATIONS

SEC. 511. (a) The purpose of this part is to strengthen the educational opportunities available to children in areas having concentrations of low-income families and to encourage colleges and universities to broaden their programs of teacher preparation and to encourage institutions of higher education and local educational agencies to improve programs of training and retraining for teachers and teacher aides, and other educational personnel—

(1) attracting and training qualified teachers who will be made available to local educational agencies for teaching in such areas;

(2) attracting and training inexperienced teacher-interns who will be made available for teaching and inservice training to local educational agencies in such areas in teams led by an experienced teacher;

(3) attracting volunteers to serve as part-time tutors or full-time instructional assistants in programs carried out by local educational agencies and institutions of higher education serving such areas;

(4) attracting and training educational personnel to provide relevant remedial, basic, and secondary educational training, including literacy and communications skills, for juvenile delinquents, youth offenders, and adult criminal offenders;

(5) supporting demonstration projects for retraining experienced teachers and teacher aides, and other educational personnel serving in local educational agencies.

(b) For the purpose of carrying out the provisions of this part there are authorized to be appropriated $50,000,000 for the fiscal year 1977, $75,000,000 for the fiscal year 1978, and $100,000,000 for the fiscal year 1979, *and for the succeeding fiscal year.*

PART B—TEACHER TRAINING PROGRAMS

AUTHORIZATION OF APPROPRIATIONS

SEC. 531. There are authorized to be appropriated $75,000,000 for the fiscal year 1977 and the fiscal year 1978, and $100,000,000 for the fiscal year 1979, *and for the succeeding fiscal year*, to carry out the provisions of this part. Of the sums so appropriated for any fiscal year not less than 10 per centum shall be available for each of the programs authorized by sections 532 and 533. In the event that sums exceeding $50,000,000 are appropriated in any fiscal year for purposes of carrying out this part, each State shall receive grants sufficient to assure the establishment of one such teacher center in that State in such fiscal year.

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TITLE VI—FINANCIAL ASSISTANCE FOR THE IMPROVEMENT OF UNDERGRADUATE INSTRUCTION

PART A—EQUIPMENT

STATEMENT OF PURPOSE AND AUTHORIZATION OF APPROPRIATIONS

SEC. 601. (a) The purpose of this part is to improve the quality of classroom instruction in selected subject areas in institutions of higher education.

(b) There are authorized to be appropriated $60,000,000 for each of the fiscal years ending prior to October 1, [1979] *1980*, to enable the Commissioner to make grants to institutions of higher education and combinations of institutions of higher education pursuant to this part for the acquisition of equipment and for minor remodeling described in section 603(2)(A).

(c) There are authorized to be appropriated $10,000,000 for each of the fiscal years ending prior to October 1, [1979] *1980*, to enable the Commissioner to make grants to institutions of higher education and combinations of institutions of higher education pursuant to this part for the acquisition of television equipment and for minor remodeling described in section 603(2)(B).

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TITLE VII—CONSTRUCTION, RECONSTRUCTION AND RENOVATION OF ACADEMIC FACILITIES

PART A—GRANTS FOR THE CONSTRUCTION, RECONSTRUCTION AND RENOVATION OF UNDERGRADUATE ACADEMIC FACILITIES

AUTHORIZATION OF APPROPRIATIONS

SEC. 701. (a) The Commissioner shall carry out a program of grants to institutions of higher education for the construction, reconstruction, or renovation of academic facilities in accordance with this part.

(b) For the purpose of making grants under this part, there are hereby authorized to be appropriated $50,000,000, for the fiscal year ending June 30, 1972, $200,000,000 for the fiscal year ending June 30,

1973, and $300,000,000 for each of the fiscal years ending prior to October 1, [1979] *1980*.

(c) Of the sums appropriated pursuant to section 701(b), an appropriate amount, but in no case less than 24 per centum shall be reserved by the Commissioner and allotted among the States under section 702. The remainder of such sums shall be available for allotment among the States under section 703.

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PART B—GRANTS FOR CONSTRUCTION, RECONSTRUCTION AND RENOVATION OF GRADUATE ACADEMIC FACILITIES

AUTHORIZATION

SEC. 721. (a)(1) The Commissioner shall carry out a program of making grants to institutions of higher education to assist them in improving existing graduate schools and cooperative graduate centers, and in establishing graduate schools and cooperative graduate centers of excellence, in order to increase the supply of highly qualified personnel needed by communities, industries, and governments and for teaching and research.

(2) The Commissioner is authorized to make grants to or enter into contracts with institutions of higher education for the construction of facilities for model intercultural programs designed to integrate the educational requirements of substantive knowledge and language proficiency.

(b) For the purpose of making grants under this part, there are authorized to be appropriated $20,000,000 for the fiscal year ending June 30, 1972, $40,000,000 for the fiscal year ending June 30, 1973, $60,000,000 for the fiscal year ending June 30, 1974, and $80,000,000 for each of the fiscal years ending prior to October 1, [1979] *1980*.

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PART C—LOANS FOR CONSTRUCTION, RECONSTRUCTION AND RENOVATION OF ACADEMIC FACILITIES

AUTHORIZATION

SEC. 741. (a)(1) The Commissioner shall carry out a program of making and insuring loans, in accordance with the provisions of this part.

(2) The Commissioner is authorized to make loans to institutions of higher education and to higher education building agencies for the construction, reconstruction, or renovation of academic facilities and to insure loans.

(b) For the purpose of making payments into the fund established under section 744, there are hereby authorized to be appropriated $50,000,000 for the fiscal year ending June 30, 1972, $100,000,000 for the fiscal year ending June 30, 1973, $150,000,000 for the fiscal year ending June 30, 1974, and $200,000,000 for each of the fiscal years ending prior to October 1, [1979] *1980*. Sums appropriated pursuant to this subsection for any fiscal year shall be available without fiscal year limitations.

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ANNUAL INTEREST GRANTS

SEC. 745. (a) To assist institutions of higher education and higher education building agencies to reduce the cost of borrowing from other sources for the construction, reconstruction, or renovation of academic facilities, the Commissioner may make annual interest grants to such institutions and agencies.

(b) Annual interest grants to an institution of higher education or higher education building agency with respect to any academic facility shall be made over a fixed period not exceeding forty years, and provision for such grants shall be embodied in a contract guaranteeing their payment over such period. Each such grant shall be in an amount not greater than the difference between (1) the average annual debt service which would be required to be paid, during the life of the loan, on the amount borrowed from other sources for the construction of such facilities, and (2) the average annual debt service which the institution would have been required to pay, during the life of the loan, with respect to such amounts if the applicable interest rate were the maximum rate specified in section 742(b). The amount on which such grant is based shall be approved by the Secretary.

(c) (1) There are hereby authorized to be appropriated to the Commissioner such sums as may be necessary for the payment of annual interest grants to institutions of higher education and higher education building agencies in accordance with this section.

(2) Contracts for annual interest grants under this section shall not be entered into in an aggregate amount greater than is authorized in appropriation Acts; and in any event the total amount of annual interest grants which may be paid to institutions of higher education and higher education building agencies in any year pursuant to contracts entered into under this section shall not exceed $5,000,000 which amount shall be increased by $6,750,000 on July 1, 1969, and by $13,500,000 on July 1, 1970 and on the first day of each fiscal year during the period ending September 30, [1979] *1980*.

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TITLE IX—GRADUATE PROGRAMS

PART A—GRANTS TO INSTITUTIONS OF HIGHER EDUCATION

PURPOSES; AUTHORIZATION

SEC. 901. (a) It is the purpose of this part to make financial assistance available to institutions of higher education—

(1) to strengthen, improve and where necessary expand the quality of graduate and professional programs leading to an advanced degree (other than a medical degree) in such institutions;

(2) to establish, strengthen, and improve programs designed to prepare graduate and professional students for public service; and

(3) to assist in strengthening undergraduate programs of instruction in the areas described in clauses (1) and (2), whenever the Commissioner determines that strengthened undergraduate programs of instruction will contribute to the purposes of such clauses.

(b) The Commissioner shall carry out a program of making grants to institutions of higher education to carry out the purposes set forth in subsection (a).

(c) There are authorized to be appropriated $50,000,000 for each of the fiscal years ending prior to October 1, [1979,] *1980*, for the purpose of this part.

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PART B—FELLOWSHIPS FOR GRADUATE AND PROFESSIONAL STUDY

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NUMBER OF FELLOWSHIPS

SEC. 922. (a) During the fiscal year ending June 30, 1973, and each of the succeeding fiscal years ending prior to October 1, [1979,] *1980*, the Commissioner is authorized to award not to exceed seven thousand five hundred fellowships to be used for study in graduate programs at institutions of higher education. Such fellowships may be awarded for such period of study as the Commissioner may determine but not in excess of thirty-six months except that the Commissioner may provide by regulation for the granting of such fellowships for a period of study not to exceed one twelve-month period in addition to the thirty-six month period set forth in this section under special circumstances which the Commissioner determines would most effectively serve the purposes of this part. The Commissioner shall make a determination to provide such twelve-month extension of an award to an individual fellowship recipient upon review of an application for such extension by the recipient.

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PART C—PUBLIC SERVICE FELLOWSHIPS

AWARD OF PUBLIC SERVICE FELLOWSHIPS

SEC. 941. (a) During the fiscal year ending June 30, 1973, and each of the succeeding fiscal years ending prior to October 1, [1979,] *1980*, the Commissioner is authorized to award not to exceed five hundred fellowships in accordance with the provisions of this part for graduate or professional study for persons who plan to pursue a career in public service. Such fellowships shall be awarded for such periods as the Commissioner may determine, but not in excess of thirty-six months except that the Commissioner may provide by regulation for the granting of such fellowships for a period of study not to exceed one twelve-month period in addition to the thirty-six month period set forth in this section under special circumstances which the Commissioner determines would most effectively serve the purposes of this part. The Commissioner shall make a determination to provide such a twelve-month extension of an award to an individual fellowship recipient upon review of an application for such extension by the recipient.

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PART D—FELLOWSHIPS FOR OTHER PURPOSES

PROGRAM AUTHORIZED

SEC. 961. (a) It is the purpose of this part to provide fellowships—

(1) to assist graduate students of exceptional ability who demonstrate a financial need for advanced study in domestic mining and mineral and mineral fuel conservation including oil, gas, coal, oil shale, and uranium; and

(2) for persons of ability from disadvantaged backgrounds, as determined by the Commissioner, undertaking graduate or professional study.

The demonstration of financial need shall be determined in accordance with regulations prescribed by the Commissioner.

(b)(1) The Commissioner is authorized to award under the provisions of this part not to exceed five hundred fellowships for the fiscal year ending June 30, 1973, and for each of the succeeding fiscal years ending prior to October 1, [1979.] *1980.* Appropriations made pursuant to section 965 for fellowships awarded under clause (2) of subsection (a) of this section may not exceed $1,000,000 in any fiscal year.

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ASSISTANCE FOR TRAINING IN THE LEGAL PROFESSION

SEC. 966. (a) The Commissioner is authorized prior to October 1, [1979,] *1980,* to make grants to, or enter into contracts with, public and private agencies and organizations other than institutions of higher education for the purpose of assisting individuals from disadvantaged backgrounds, as determined in accordance with criteria prescribed by the Commissioner, to undertake training for the legal profession.

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TITLE X—ESTABLISHMENT AND EXPANSION OF COMMUNITY COLLEGES

PART A—STATEWIDE PLANS

SEC. 1001. (a) * * *

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(b)(1) There are authorized to be appropriated $15,700,000 for each of the fiscal years ending prior to October 1, [1979] *1980,* to carry out the provisions of this section.

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PART B—ESTABLISHMENT AND EXPANSION OF COMMUNITY COLLEGES

PROGRAM AUTHORIZATION

SEC. 1011. (a) In order to encourage and assist those States and localities which so desire in establishing or expanding community

colleges, or both, the Commissioner shall carry out a program as provided in this part for making grants to community colleges in order to improve educational opportunities available through community colleges in such States.

(b) For the purpose of carrying out this part, there are authorized to be appropriated $150,000,000 for each of the fiscal years ending prior to October 1, [1979] *1980*.

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TITLE XI—LAW SCHOOL CLINICAL EXPERIENCE PROGRAMS

AUTHORIZATION OF APPROPRIATIONS

SEC. 1103. There are authorized to be appropriated $7,500,000 for each of the succeeding fiscal years ending prior to October 1, [1979] *1980* to carry out the purposes of this title (and planning and related activities in the initial fiscal year for such purposes).

TITLE XII—GENERAL PROVISIONS

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COMPREHENSIVE STATEWIDE PLANNING

SEC. 1203. (a) * * *

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(d)(1) There are authorized to be appropriated such sums as may be necessary for each fiscal year ending prior to October 1, [1979] *1980*, to carry out the provisions of this section other than subsection (c) of this section.

(2) There are authorized to be appropriated $2,000,000 for each fiscal year ending prior to October 1, [1979] *1980*, to carry out the provisions of subsection (c) of this section.

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GENERAL EDUCATION PROVISIONS ACT

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FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION

SEC. 404. (a) * * *

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(e) There are authorized to be appropriated $10,000,000 for the fiscal year ending June 30, 1973, $50,000,000 for the fiscal year ending June 30, 1974, and $75,000,000 for each succeeding fiscal year ending prior to October 1, [1979] *1980*, for the purposes of this section.

NATIONAL INSTITUTE OF EDUCATION

SEC. 405. (a)(1) * * *

* * * * * * *

(j) There are hereby authorized to be appropriated, without fiscal year limitations, $550,000,000, in the aggregate, for the period beginning July 1, 1972, and ending June 3, 1975, to carry out the functions of the Institute. Sums so appropriated shall, notwithstanding any other provision of law unless enacted in express limitation of this subsection, remain available for the purposes of this subsection until expended. There are also authorized to be appropriated for such purpose $100,000,000 for fiscal year 1977 [and], $200,000,000 for each of fiscal years 1978 and 1979, *and $125,000,000 for fiscal year 1980.*

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SECTION 604 OF THE NATIONAL DEFENSE EDUCATION ACT OF 1958

TITLE VI—LANGUAGE DEVELOPMENT

PART A—CENTERS AND RESEARCH AND STUDIES

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APPROPRIATIONS AUTHORIZED

SEC. 604. There are hereby authorized to be appropriated $8,000,000 for the fiscal year ending June 30, 1964, $13,000,000 for the fiscal year ending June 30, 1965, $14,000,000 for the fiscal year ending June 30, 1966, $16,000,000 for the fiscal year ending June 30, 1967, $18,000,000 for the fiscal year ending June 30, 1968, $16,050,000 for the fiscal year ending June 30, 1969, $30,000,000 for the fiscal year ending June 30, 1970, $38,500,000 for each of the fiscal years ending June 30, 1971, and June 30, 1972, $50,000,000 for the fiscal year ending June 30, 1973, and $75,000,000 for each fiscal year ending prior to October 1, [1979,] *1980*, to carry out the provisions of this title, except that no funds shall be made available in any fiscal year for carrying out programs under section 603 until at least $15,000,000 has been made available in such fiscal year for carrying out the provisions of sections 601 and 602.

SECTION 9 OF THE MIDDLE INCOME STUDENT ASSISTANCE ACT

SEC. 9. The amendments made by this Act shall take effect upon enactment, except that the amendments made by subsections (a), (b), and (c), of section 2 shall be effective with respect to periods of enrollment beginning on or after [August] *July* 1, 1979.

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